

II. COMPENSATION

A. Introduction

ULS has three goals for employee compensation: (1) to be competitive with other non-profit law firms, (2) to attract competent entry-level employees, and (3) to retain experienced employees. The compensation plan has three components upon which compensation will be based: longevity, tiering, and merit. Longevity pay is earned by being employed here when a longevity increment is added to everyone's pay. Tiering is an increase of everyone's wages at the least possible cost to ULS, giving higher percentage increases to people at entry level and "feathering" the percentage down to a fixed value for people near the top of the salary range in a given employee category. Merit bonuses reward competent and exceptional work.

Flexibility is part of this plan. Every time funds are allocated for longevity adjustments, tiered increases, or merit bonuses, the Board and the Executive Director will review program income and expenses to determine how much is available for compensation. You may obtain a copy of the most recently used values and formulas from the State Support Unit. However, all wage adjustments are contingent upon available revenue.

B. Pay periods and paydays

Each month has two pay periods. The first begins on the first day of the month and ends at midnight on the 15th day of the month. Payday for the first pay period of a month is the 20th of the same month. The second pay period of the month begins on the 16th of the month and ends on the last calendar day of the month. Payday for the second pay period in a month is the 5th of the following month. If a payday would otherwise occur on a day when employees are not expected to work, such as a weekend or holiday, payday will be the next earlier working day.

Except for persons hired on a temporary basis and paid by the hour, employees who have the requisite number of compensable hours for any given pay period will be paid a gross amount (before taxes and deductions) equal to 1/24th of his or her annualized compensation. For employees covered by the Federal Fair Labor Standards Act, pay for approved overtime is in addition to their regular compensation.

C. Longevity and tiered raises are applied as increased hourly wages; merit is paid as a lump sum bonus

Wage increases due to longevity and tiering will be paid by increasing the effective hourly rate upon which each employee's semi-monthly pay is calculated. So the hourly increase in the wage of a full time employee will be the same as the hourly increase in the wage of a part-time employee who has the same experience level and is in the same category. Merit bonuses will be paid as a lump sum once each year.

D. When longevity and tiered raises occur; when merit bonuses are paid

The timing for these adjustments is staggered throughout the year, making it easier to budget for changes in revenue. Adjustments to hourly wage values for longevity will normally begin with pay period 17 (September 1). Each year, the Board and Executive Director will determine how a tiered increase, if any, should be applied. Tiered wage increases will normally begin with pay period 1 (January 1). Longevity and tiered wage adjustments alter a employee's hourly wage.

Merit bonuses will normally be paid on or about payday for pay period 8 (May 5) to individuals who have achieved an exceptional or competent rating. No bonus will be paid to any individual rated as needs improvement. An individual must have been employed for at least 6 months to receive a bonus based on merit. Merit bonuses do not change an individual's hourly wage.

E. Longevity and tiered raises become part of base salary; merit is a lump sum

Absent financial exigency (like reductions in Congressional funding and other losses of revenue), once a longevity or tiered pay raise is official (which requires a Personnel Action Form (PAF) signed by the Executive Director), each employee can expect to be paid at the rate stated on the PAF, without future reduction. Because merit bonuses are not built into base pay, the merit bonus has no effect on hourly wage value.

Because merit pay is a bonus paid once each year as a lump sum, employees must maintain at least competent performance during the year in order to receive a merit bonus. But diminished performance — a change from “competent” to “needs improvement” or “exceptional” to “competent” — will not result in any change in an individual's hourly wage amount. Diminished performance could also be cause for disciplinary action in the event an employee's performance needs improvement.

F. Merit bonus

Each employee's individual merit rating — exceptional, competent, or needs improvement — is based both upon supervisors' analyses of the individual's work as well as the deliberation of the Executive Director, the Deputy Director, Task Force chairs, and managing attorneys — who together constitute the management committee — considering the merit of all employees.

G. Limitation on “exceptional” merit category

For the purpose of determining who may receive the higher — exceptional — merit bonus, each individual is a member of one category: (1) managing attorneys and non-attorney professionals; (2) all other attorneys; (3) paralegals; and (4) support staff. For each employee

category, not more than one-half of the members in each (rounded down in case of an odd-numbered total) may receive an exceptional bonus award.

H. Merit classification appeals

This provision for merit classification appeals supersedes and takes precedence over the provisions of Chapter X of this manual.

Excepting managing attorneys, if an employee believes that she or he should have been rated more highly (competent instead of needing improvement, or exceptional instead of competent), the individual may appeal to the management committee, which will make recommendations to the Executive Director. Managing attorneys may appeal to the Executive Director.

All appeals must be filed with the Executive Director within 10 calendar days of the employee's notification of his/her merit classification. The notice of appeal will be a short (no more than one side of one page) written statement by the employee delivered to the Director, briefly stating the basis for the appeal.

The management committee will adopt simple procedures for handling such appeals. Each aggrieved employee may (but need not) appear in person. Personal appearances may be limited in time. After consultation with the managers, the Executive Director may alter any employee's "needs improvement" rating to "competent" without reservation. But changing an employee's rating from "competent" to "exceptional" can only occur if the 50% limit, noted above in paragraph G, is not exceeded.